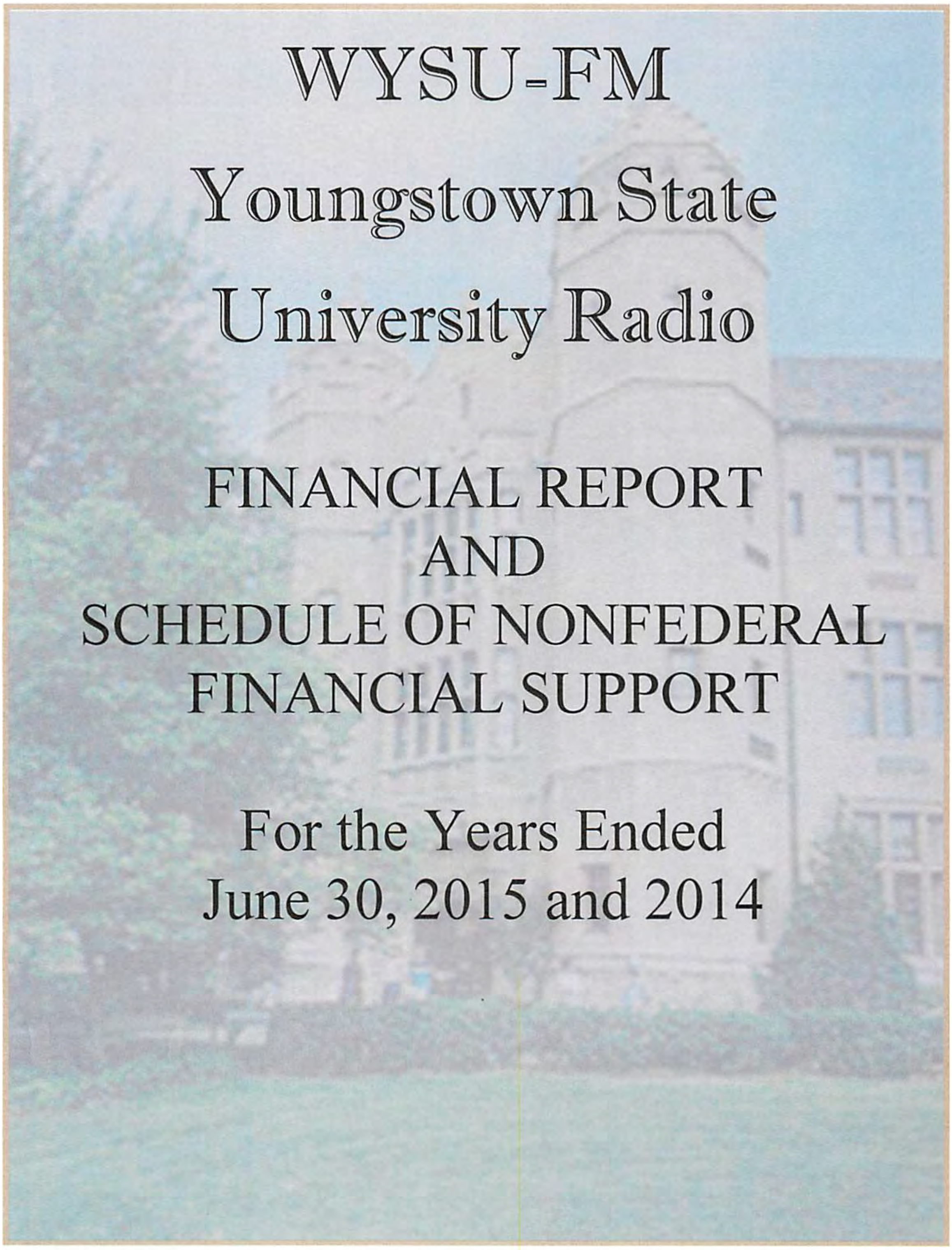

WYSU-FM

Youngstown State University Radio

FINANCIAL REPORT AND SCHEDULE OF NONFEDERAL FINANCIAL SUPPORT

For the Years Ended June 30, 2015 and 2014

WYSU-FM YOUNGSTOWN STATE UNIVERSITY RADIO

CONTENTS

Crowe Horwath.

Crowe Horwath LLP
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Youngstown State University
Youngstown, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of WYSU-FM, Youngstown State University Radio (the "Station"), as of and for the years ended June 30, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Station's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Station as of June 30, 2015 and 2014, and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Station are intended to present the financial position, the changes in financial position and cash flows, of only that portion of the activities of Youngstown State University that is attributable to the transactions of the Station. They do not purport to, and do not, present fairly the financial position of Youngstown State University as of June 30, 2015 and 2014, and the changes in its financial position and its cash flows, for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 1 to the financial statements, Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* were effective for the Station's fiscal year ending June 30, 2015. These Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis ("MD&A") on pages 3 to 11, the Schedules of the Station's Proportionate Share of the Net Pension Liability and the Schedules of the Station's Contributions on page 31, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Station's basic financial statements. The supplementary information included in the Schedule of Nonfederal Financial Support on page 32 is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The Schedule of Nonfederal Financial Support is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Nonfederal Financial Support is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards,* we have also issued our report dated November 30, 2015 on our consideration of the Station's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Station's internal control over financial reporting and compliance.

Crowe Horwath LLP

Crowe Horwath LLP

Columbus, Ohio
November 30, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis section of the WYSU-FM Youngstown State University Radio (WYSU-FM or the Station) Financial Report presents a discussion and analysis of the financial performance of the Station, a noncommercial public radio station operated by Youngstown State University (the University or YSU), during the fiscal year ended June 30, 2015 with comparative information for the fiscal years ended June 30, 2014 and June 30, 2013. This discussion has been prepared by management and should be read in conjunction with the financial statements and the accompanying notes that follow.

Introduction

The University operates WYSU-FM, a 50,000 watt radio station that serves the Mahoning and Shenango Valley regions with fine arts, news and information programming from its studios in Cushwa Hall. WYSU-FM functions as a department of the Division of University Relations at the University. The Station broadcasts a mix of news and classical music programs on its main analog channel, HD1 (digital) channel, and an internet stream. WYSU-FM also broadcasts all classical music on its HD2 channel and second internet stream. The Station broadcasts at 88.5 MHz in Youngstown, Ohio, 90.1 MHz in Ashtabula, Ohio, and 97.5 MHz in New Wilmington, Pennsylvania.

WYSU-FM is a non-commercial, listener-supported, community-based public radio station committed to being the region's leading source for quality programming. It provides trusted in-depth news, engaging conversation and music that stimulates the mind and spirit. As one of YSU's most visible daily representatives to the community, WYSU-FM also strives to be a valuable ambassador to the community, providing a forum to promote the artistic and intellectual activities of the University.

Since 1969, public radio WYSU 88.5 FM has been northeast Ohio's and western Pennsylvania's source for the best in news and information programming, music, and entertainment. WYSU-FM is a charter National Public Radio (NPR) affiliate station. Every week thousands of listeners tune to the Station for its eclectic and innovative non-commercial program schedule including engaging news and information, great entertainment, and superb classical, jazz, and folk music – together providing a provocative, culturally rich, and intellectually stimulating journey for WYSU-FM listeners.

Using the Financial Statements

The Station's financial report includes three basic financial statements: the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. These financial statements are prepared in accordance with the financial reporting format required by the Governmental Accounting Standards Board's (GASB) Statements No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*; and No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities,* as amended by GASB Statements No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus* and No. 38, *Certain Financial Statement Note Disclosures.* These statements establish standards for external financial reporting for public colleges and universities and require that financial statements be presented on a basis to focus on the financial condition of the Station, the results of operations, and cash flows of the Station as a whole.

During fiscal year 2015, the Station adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition of Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68.* These statements significantly revise accounting for pension costs and liabilities.

Prior to GASBs 68 and 71, the accounting for pension costs, was focused on a funding approach, which limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each pension plan's *net pension liability.*

Under the new standards required by GASBs 68 and 71, the net pension liability equals the Station's proportionate share of each pension plan's collective present value of estimated future pension benefits attributable to active and inactive employees' past service minus plan assets available to pay these benefits. Pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits and the promise of a future pension. The unfunded portion of this pension promise is a present obligation, part of a bargained-for benefit to the employee, and should be reported by the Station as a liability since the benefit of the exchange was received.

However, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements. The Station is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by the state statute. A change in these caps requires action of both Houses of the General Assembly, and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *against the public employer*. State law operates to mitigate/lessen the obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. Changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the public employer. In the event that contributions, investment returns and other changes are insufficient to keep up with required pension payments, state statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the Statement of Net Position.

In accordance with GASBs 68 and 71, the Station's statements, prepared on an accrual basis of accounting, include an annual pension expense for the proportionate share of each pension plan's *change* in net pension liability.

As a result of implementing GASBs 68 and 71, the Station is reporting a net pension liability and deferred outflows and deferred inflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at July 1, 2014 from $1,969,961 to $1,591,159.

Key presentation elements include:

- Assets and liabilities are categorized as either current or noncurrent. Current assets and liabilities will be consumed or fulfilled within one year.

- Revenues and expenses are categorized as either operating or nonoperating. Significant recurring sources of the Station's revenues, including the general appropriation from the University and membership revenue are considered nonoperating as defined by GASB Statement No. 35.

- Capital assets are reported net of accumulated depreciation.

Financial and Other Station Highlights

- Membership fundraising goals were surpassed during fiscal year 2015
- Membership count increased over 5% in fiscal year 2015
- Strong renewal rate in underwriters resulted in an increase in underwriting revenue of almost 5%

The Statements of Net Position

These statements present the financial position of the Station at the end of the fiscal year and include all assets (current and noncurrent), deferred outflows of resources, liabilities (current and noncurrent), deferred inflows of resources, and net position (the difference between total assets, deferred outflows, total liabilities, and deferred inflows) of the Station. Current assets are classified as such if they are available to satisfy current liabilities, which are generally defined as being due within one year of the date of the Statement of Net Position. Deferred outflows of resources include resources where the consumption is applicable to a future reporting period, but does not require further exchange of service. Deferred inflows of resources represent the acquisition of resources that are applicable to a future reporting period. Deferred outflows and deferred inflows include items relating to pensions. There were no deferred outflows or deferred inflows in fiscal years 2014 and 2013. Net position is one indicator of the financial condition of the Station, while the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year.

A summarized comparison of the Station's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at June 30, 2015, 2014, and 2013 was as follows:

	June 30, 2015	June 30, 2014	June 30, 2013
Assets			
Current assets	$ 2,132,802	$ 1,920,570	$ 1,761,326
Noncurrent assets			
Capital assets, net	95,076	112,628	130,181
Other assets	186,646	185,805	164,768
Total Noncurrent assets	281,722	298,433	294,949
Total Assets	2,414,524	2,219,003	2,056,275
Deferred Outflows of Resources	54,268	-	-
Liabilities			
Current liabilities	178,998	157,730	169,568
Noncurrent liabilities	523,143	91,312	100,149
Total Liabilities	702,141	249,042	269,717
Deferred Inflows of Resources	7,755	-	-
Total Net Position	$ 1,758,896	$ 1,969,961	$ 1,786,558
Net Position			
Net investment in capital assets	95,076	112,628	130,181
Restricted	715,124	663,981	565,444
Unrestricted	948,696	1,193,352	1,090,933
Total Net Position	$ 1,758,896	$ 1,969,961	$ 1,786,558

Current assets consist primarily of cash and cash equivalents, accounts receivable, and pledges receivable. Current assets increased $212,232 or 11% from fiscal year 2014 to fiscal year 2015 mainly due to an increase in cash and accounts receivable. Included in accounts receivable were $25,000 in capital gifts collected by the Youngstown State University Foundation (YSUF or the Foundation) during June 2015, as part of the new development services agreement, that were disbursed to the University in July 2015. During fiscal year 2015, the University entered into a development services agreement with the Foundation, wherein the Foundation raises and maintains donations on behalf of the University. The Foundation remits all related funds, which have been received, on a monthly basis. Current assets increased $159,244 or 9% from fiscal year 2013 to fiscal year 2014 due to capital campaign pledges for the new facility for the Station and unspent receipts from membership income. Net capital assets decreased $17,552 or 16% from fiscal year 2014 to fiscal year 2015 and $17,553 or 13% from fiscal year 2013 to fiscal year 2014 due to the continued depreciation of existing assets. Other assets, which represent endowment investments, increased $841 or .5% from fiscal year 2014 to fiscal year 2015 and $21,037 or 13% from fiscal year 2013 to fiscal year 2014 as the carrying value of investments increased due to improved investment performance. Refer to Notes 2-4 for additional information about cash and cash equivalents, investments, and capital assets.

Deferred outflows of resources and deferred inflows of resources consist of items relating to pensions. Certain elements impacting the change in the net pension liability have a longer term perspective than the current year, therefore to reduce volatility these elements are amortized over a closed period of specified duration. These include differences between expected and actual experience, changes of assumptions, and net differences between projected and actual earnings of pension plan investments. These elements can be reflected as either a deferred outflow of resources or a deferred inflow of resources. Deferred inflows consist of $7,755 for the difference between projected and actual experience. Deferred outflows consist of $22,398 for the net difference between projected and actual earnings of pension plan investments. In addition, Station contributions to the pension plan subsequent to the measurement date of the pension plan are reflected as deferred outflows of resources. These contributions totaled $31,870 in fiscal year 2015. The Station adopted GASBs 68 and 71 in fiscal year 2015. The Station made no restatement for deferred outflows of resources and deferred inflows of resources for fiscal year 2014 as the information needed to generate these restatements was not available.

See Note 7 for additional information on Defined Benefit Pension Plans.

Liabilities consisting of accounts payable, unearned revenue, compensated absences, and net pension liability increased $453,099 or 182% between fiscal year 2014 and fiscal year 2015. Net pension liability and compensated absences accounted for the majority of the increase. Due to the adoption of GASBs 68 and 71, the Station recorded a net pension liability of $408,436 at July 1, 2014. The net pension liability totaled $416,913 at June 30, 2015. Spending of the annual Corporation for Public Broadcasting (CPB) grant is unearned until the subsequent fiscal year. Unearned revenue at June 30, 2015 was higher than the previous year due to an increase in the annual CPB grant awarded. Compensated absences balances increased due to personnel changes within the Station. A decrease in accounts payable, and vacation and sick leave accruals, accounted for the majority of the decrease of $20,675 or 8% between fiscal year 2013 and fiscal year 2014. Refer to Notes 5 and 6 for additional information about unearned revenue, compensated absences, and the net pension liability.

Overall the Station's net position decreased $211,065 or 11% from $1,969,961 at June 30, 2014 to $1,758,896 at June 30, 2015. The $51,143 or 8% increase in restricted net position was mainly due to $50,000 in capital gift donations to fund the Station's new facility space. The Station has dedicated $527,500 of the restricted expendable funds for renovations. The project is expected to be completed during fiscal year 2016. The $244,656 or 21% decrease in unrestricted net position includes a $378,802 decrease due to the adoption of GASBs 68 and 71 and an increase of $125,744, which was primarily due to an excess of membership and underwriting revenue over expenses. The $17,552 or 16% decrease in net investment in capital assets from fiscal year 2014 to fiscal year 2015 was due to depreciation expense.

Total net position increased $183,403 or 10% from $1,786,558 at June 30, 2013 to $1,969,961 at June 30, 2014. The $98,537 or 17% increase in restricted net position resulted from $77,500 in capital campaign pledges received and a favorable investment environment that increased the value of WYSU-FM's endowment. The $102,419 or 9% increase in unrestricted net position reflects the excess of membership and community events revenue over expenses during fiscal year 2014. The $17,553 or 13% decrease in net investment in capital assets from fiscal year 2013 to fiscal year 2014 was due to depreciation expense. .

The Statements of Revenues, Expenses, and Changes in Net Position

These statements present the operating results and the nonoperating revenues and expenses of the Station. The revenues and expenses are reported as either operating or nonoperating. Operating revenues are generated by an annual Community Service Grant from CPB (a portion of which is restricted) and an annual grant from the Broadcast Educational Media Commission (BEMC), which is administered by the State of Ohio. In accordance with the 2014-2015 Biennial Budget Bill (HB59), the eTech Ohio Commission was reconstituted as the Broadcast Educational Media Commission, effective July 1, 2013. In addition, in-kind support is received from BEMC and includes support for transmission of Radio Reading Service Programming. Operating revenues also include contributions from area businesses (program underwriting). Operating expenses are incurred to vendors and employees for providing goods or services for the overall operations of the Station. Net nonoperating revenues include the general appropriation from the University, donated facilities and administrative support from the University, membership revenue, net revenue from fund raising, and net investment income.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

A summary of the Station's revenues, expenses, and changes in net position follows:

	June 30, 2015	June 30, 2014	June 30, 2013
Total Operating Revenues	$ 372,297	$ 370,570	$ 388,826
Total Operating Expenses	1,309,130	1,269,967	1,308,063
Operating Loss	(936,833)	(899,397)	(919,237)
Net Nonoperating Revenues	1,054,570	1,005,300	996,448
Gain Before Other Revenue, Expenses, and Changes	117,737	105,903	77,211
Total Other Revenue, Expenses, and Changes	50,000	77,500	200,000
Change in Net Position	167,737	183,403	277,211
Net Position at Beginning of the Year, as originally stated	1,969,961	1,786,558	1,509,347
Cumulative effect of GASB 68 and 71 implementation	(378,802)	-	-
Net Position at Beginning of the Year, as restated	1,591,159	1,786,558	1,509,347
Net Position at End of the Year	$ 1,758,896	$ 1,969,961	$ 1,786,558

Total operating revenue increased $1,727 or .5% between fiscal year 2014 and fiscal year 2015. The revenue from the annual CPB grant that was unearned until fiscal year 2015 was $2,822 or 2% less than the revenue unearned from the fiscal year 2014 CPB grant. A strong renewal rate in underwriters resulted in an increase of $4,124 or 5% in underwriting revenue from fiscal year 2014 to fiscal year 2015.

Between fiscal year 2013 and fiscal year 2014, total operating revenues decreased $18,256 or 5%, including underwriting revenue that decreased $3,616 or 4%. In-kind contributions decreased $12,102 or 9%, mainly due to a decrease in support from the Broadcast Educational Media Commission from fiscal year 2013 to fiscal year 2014.

Due to the unavailability of information, fiscal year 2014 operating expenses were not restated for the adoption of GASBs 68 and 71. The impact of GASBs 68 and 71 on the 2015 operating expenses is an $8,402 reduction in compensation (pension expense), which is reflected in both program and support services. Total operating expenses increased $39,163 or 3% between fiscal year 2014 and fiscal year 2015. This was due to a combination of a decrease in program services of $28,405 or 4% and an increase in support services of $67,568 or 13%. In the program services category, programming and production accounted for the greatest decrease as radio programming fees were lower in fiscal year 2015 compared to fiscal year 2014. In the support services category, fund raising and membership development decreased primarily due to the Spring 2015 grand prize not being accepted as of June 30, 2015. Underwriting and clerical expenses both increased due to personnel changes and a shift in staff duties.

Between fiscal year 2013 and fiscal year 2014, total operating expenses decreased $38,096 or 3%. This was due to a decrease in program services of $8,630 or 1% coupled with a $29,466 or 5% decrease in support services. In the program services category, broadcast expense decreased due to less contractual fees and services paid in fiscal year 2014. Support services decreased mainly due to the WYSU-FM development officer leaving the Station for another department within Youngstown State University, effective January 31, 2014. A replacement for the development officer was hired in May 2014. Depreciation expense also decreased due to the aging of WYSU-FM's equipment.

Total net nonoperating revenues increased $49,270 or 5% from fiscal year 2014 to fiscal year 2015. Membership income and the general appropriation from the University increased, whereas investment income decreased. Membership income increased $49,683 or 21%, mainly due to an increase in the Station's membership base, as well as a 15% increase in the average donation per member. The general appropriation from the University increased $15,696 or 3%, as the result of an increase in compensated absences due to personnel changes. Investment income decreased $19,427 or 76%, primarily due to unrealized losses incurred in fiscal year 2015 compared to unrealized gains in fiscal year 2014.

Net nonoperating revenues increased $8,852 or 1% from fiscal year 2013 to fiscal year 2014. This was mainly due to increases in membership income, net revenues from fundraising, and net investment income, and a decrease in general appropriation from the University. The general appropriation from the University decreased $22,241 or 4% primarily due to the development officer leaving the Station during fiscal year 2014, resulting in decreases in salaries and fringes. Membership income increased $5,168 or 2% and the number of contributing members increased by 4%. Net revenues from fundraising increased $10,711 or 357% primarily due to ticket sales revenue from WYSU's new partnership in a local community event during fiscal year 2014. Net investment income increased $6,929 or 37% due to a favorable investment environment that resulted in net realized and unrealized gains.

Total other revenues, expenses, and changes decreased $27,500 or 35% from fiscal year 2014 to fiscal year 2015. This was mainly due to fewer capital gifts received in fiscal year 2015 to fund to the Station's new facility space. Between fiscal year 2013 and fiscal year 2014, total other revenue, expenses and changes decreased $122,500 due to a decrease in capital grants and gifts to move the Station to the new facility.

Economic Factors for the Future

Looking to the future, management believes that the Station is well positioned to continue its favorable financial position and level of excellence in service to its constituents. With the continued support of the University's Board of Trustees and administration, the generous loyalty of WYSU-FM's listener-members, and support of businesses, non-profit organizations, and foundations, WYSU-FM maintained stability during challenging economic times. WYSU-FM is confident that it will continue to provide all of their listeners with a direct, personal connection to the University and also provide lifelong learning and personal development opportunities through the Station's fine arts and news and information programming.

A crucial element to the Station's future will continue to be its relationship with its members and underwriters as work continues toward providing quality programming. The Station exceeded its membership fundraising goals for both its Fall 2014 and Spring 2015 fund drives. As a result, WYSU-FM expanded its membership base to 1,853 members in fiscal year 2015, an increase of over 5% from 1,758 members in fiscal year 2014. When combining membership and underwriting income, WYSU-FM's two streams of direct public support, the Station experienced an increase of 16% from fiscal year 2014 to 2015.

Fiscal year 2015 was considered a successful year in terms of fundraising events, member and community events, and marketing efforts. Through its streaming services and smart phone applications, WYSU-FM reached many other listeners and former members of the local community throughout the country and around the world. Audience ratings were strong in the Fall and Spring audience surveys conducted by Nielsen. WYSU-FM listeners are spending approximately 12.4 million hours with the Station on an annual basis. In addition, WYSU-FM saw major gains in fiscal year 2015 in website usage with a 135% increase in sessions, a 51% increase in page views, and a 186% increase in users, compared to fiscal year 2014. All of these efforts helped to raise awareness for WYSU-FM and exposed the Station to new audiences in fiscal year 2015 and potentially into the future.

WYSU-FM YOUNGSTOWN STATE UNIVERSITY RADIO

STATEMENTS OF NET POSITION AT JUNE 30, 2015 AND 2014

	June 30, 2015	June 30, 2014
ASSETS		
Current Assets		
Cash and cash equivalents	$ 2,049,267	$ 1,826,446
Interest receivable	389	-
Accounts receivable (net of allowance of $1,128 in 2015 and $2,033 in 2014)	35,123	9,129
Pledges receivable (net of allowance of $3,006 in 2015 and $2,685 in 2014)	48,023	84,494
Prepaid expenses	-	501
Total Current Assets	2,132,802	1,920,570
Noncurrent Assets		
Endowment investments	186,646	185,805
Capital assets, net	95,076	112,628
Total Noncurrent Assets	281,722	298,433
Total Assets	2,414,524	2,219,003
DEFERRED OUTFLOWS OF RESOURCES		
Pension OPERS	54,268	-
Total Deferred Outflows of Resources	54,268	-
LIABILITIES		
Current Liabilities		
Accounts payable	7,122	-
Unearned revenue	161,150	149,392
Compensated absences	10,726	8,338
Total Current Liabilities	178,998	157,730
Noncurrent Liabilities		
Compensated absences	106,230	91,312
Net pension liability	416,913	-
Total Noncurrent Liabilities	523,143	91,312
Total Liabilities	702,141	249,042
DEFERRED INFLOWS OF RESOURCES		
Pension OPERS	7,755	-
Total Deferred Inflows of Resources	7,755	-
NET POSITION		
Net investment in capital assets	95,076	112,628
Restricted - Nonexpendable	186,948	185,805
Restricted - Expendable	528,176	478,176
Unrestricted	948,696	1,193,352
Total Net Position	$ 1,758,896	$ 1,969,961

See accompanying notes to financial statements.

WYSU-FM Youngstown State University Radio

Statements of Revenues, Expenses and Changes in Net Position for the Years Ended June 30, 2015 and 2014

	June 30, 2015	June 30, 2014
REVENUES		
Operating Revenues		
Corporation for Public Broadcasting grant	$ 134,443	$ 137,265
In-kind contributions	119,658	119,233
Broadcast Education Media Commission grant	23,166	23,166
Underwriting revenue	95,030	90,906
Total Operating Revenues	372,297	370,570
EXPENSES		
Operating Expenses		
Program Services		
Programming and production	439,981	462,789
Broadcasting	204,888	206,529
Program information	64,453	68,439
Traffic and continuity	6,905	6,874
Support Services		
Management and general	257,854	270,370
Fund raising and membership development	128,642	146,809
Underwriting	99,208	27,893
Clerical	89,647	62,711
Depreciation	17,552	17,553
Total Operating Expenses	1,309,130	1,269,967
Operating Loss	(936,833)	(899,397)
NONOPERATING REVENUES (EXPENSES)		
General appropriation from the University	579,141	563,445
Donated facilities and administrative support from the University	166,645	171,387
Membership revenue	286,835	237,152
Special revenues from fund raising (net of expenses of $3,370 in 2015 and $2,941 in 2014)	15,771	7,711
Investment gain, net of investment expense	6,178	25,605
Net Nonoperating Revenues	1,054,570	1,005,300
Gain Before Other Revenues, Expenses, and Changes	117,737	105,903
OTHER REVENUES, EXPENSES, AND CHANGES		
Capital grants and gifts	50,000	77,500
Total Other Revenues, Expenses, and Changes	50,000	77,500
Change in Net Position	167,737	183,403
NET POSITION		
Net Position at Beginning of the Year, originally stated	1,969,961	1,786,558
Cumulative effect of GASBs 68 and 71 implementation	(378,802)	-
Net Position at Beginning of the Year, as restated	1,591,159	1,786,558
Net Position at End of the Year	$ 1,758,896	$ 1,969,961

See accompanying notes to financial statements.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	June 30, 2015	June 30, 2014
Cash Flows from Operating Activities		
Receipts from Corporation for Public Broadcasting grant	$ 145,521	$ 134,443
Receipts from Broadcast Educational Media Commission grant	23,166	23,166
Business and underwriting support	70,217	90,676
Payments to suppliers	(345,938)	(345,544)
Payments to employees	(493,257)	(474,855)
Payments for benefits	(150,054)	(164,567)
Total Cash Flows Used in Operating Activities	(750,345)	(736,681)
Cash Flows from Noncapital Financing Activities		
General appropriation from the University	579,141	563,445
Membership receipts	323,307	162,956
Fundraising receipts	19,141	10,652
Payments for fundraising	(3,370)	(2,941)
Total Cash Flows Provided by Noncapital Financing Activities	918,219	734,112
Cash Flows from Investing Activities		
Interest on investments	4,947	4,568
Total Cash Flows Provided by Investing Activities	4,947	4,568
Cash Flows from Capital and Related Financing Activities		
Capital grants and gifts	50,000	77,500
Total Cash Flows Provided by Capital and Related Financing Activities	50,000	77,500
Change in Cash and Cash Equivalents	222,821	79,499
Cash and Cash Equivalents, Beginning of Year	1,826,446	1,746,947
Cash and Cash Equivalents, End of Year	$ 2,049,267	$ 1,826,446
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	$ (936,833)	$ (899,397)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	17,552	17,553
Donated facilities and administrative support from the University	166,645	171,387
Changes in assets and liabilities:		
Accounts receivable, net	(25,994)	(5,048)
Prepaid expenses	501	(501)
Accounts payable, compensated absences, and unearned revenue	36,186	(20,675)
Net pension liability	38,111	-
Deferred outflows of resources	(54,268)	-
Deferred inflows of resources	7,755	-
Net Cash Flows Used in Operating Activities	$ (750,345)	$ (736,681)

See accompanying notes to financial statements.

Note 1 – Organization and Summary of Significant Accounting Policies

Organization and Basis of Presentation

WYSU-FM Youngstown State University Radio (WYSU-FM or the Station) is operated as a department of the Division of Student Affairs at Youngstown State University (the University or YSU) and is subject to the policies established by the University's Board of Trustees. The Station reports annually to the Corporation for Public Broadcasting (CPB).

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Government Accounting Standards Board (GASB).

Under the provisions of GASB Statement No. 63, resources are classified for accounting and reporting purposes into the following four net position categories:

- Net investment in capital assets - Capital assets, net of accumulated depreciation, and the outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

- Restricted Nonexpendable - Resources subject to externally imposed stipulations that they be maintained permanently by the Station. Such resources include the Station's permanent endowment fund.

- Restricted Expendable - Resources whose use by the Station is subject to externally imposed stipulations that can be fulfilled by actions of the Station pursuant to those stipulations or that expire by the passage of time.

- Unrestricted - Resources that are not subject to externally imposed stipulations. Unrestricted resources may be designated for specific purposes by action of management, Board of Trustees, Board of Regents or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted resources are designated for Station programs, initiatives, and capital projects.

Summary of Significant Accounting Policies

The accompanying financial statements have been prepared on the accrual basis. The Station reports as a Business Type Activity, as defined by GASB Statement No. 35. Business Type Activities are those that are financed in whole or in part by fees charged to external parties.

Cash Equivalents - The Station considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents are stated at cost, which approximates fair value and excludes amounts restricted by board designation or whose use is limited.

Investments - In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools,* investments are reported at fair value based on quoted market prices. Changes in unrealized gains (losses) on the carrying value of investments are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Position.

Endowment Policy - The University Endowment Fund consists of 99 named funds, which includes the Station's endowment. Each named fund is assigned a number of shares in the University Endowment Fund based on the value of the gifts to that named fund. The University's policy is to limit annual distributions to no greater than accumulated income earned. Distributions greater than the accumulated income earned require written justification and Board of Trustees' approval. In December 2014, the Board of Trustees approved a new endowment spending policy, implemented in July 2015, where annual distributions each fiscal year will set to 5% of the twelve-quarter average of the market value for the preceding twelve calendar quarters. In calculating the twelve-quarter average, census dates of March 31, June 30, September 30 and December 31 for the previous three years shall be used. Any distribution greater than this would require written justification and Board of Trustees' approval.

Accounts Receivable - Accounts receivable consist of underwriting charges for various Station programs. Also included are amounts due from private sources in connection with reimbursement of allowable expenditures under the applicable Station grants and contracts. Accounts receivable also include gifts collected by the YSU Foundation as part of a new development services agreement. Accounts are recorded net of allowance for uncollectible accounts.

Pledges Receivable - The Station receives pledges of financial support from corporations, foundations, and individuals. Revenue is recognized when a pledge representing an unconditional promise to pay is received and all eligibility requirements have been met. In the absence of a conditional pledge, revenue is recognized when the gift is received. Pledges are recorded net of an allowance for uncollectible amounts and are discounted to net present value.

Capital Assets - Capital assets are comprised of equipment and stated at cost or fair value at date of gift. The capitalization threshold for equipment is $5,000. Depreciation is computed using the straight-line method over the estimated useful life of the asset. The estimated useful life for equipment is 3 to 7 years. The antenna and tower are depreciated over 10 years.

When capital assets are sold, or otherwise disposed of, the carrying value of such assets and any accumulated depreciation is removed from asset accounts and net investment in capital assets.

The costs of normal maintenance and repairs that do not add to the value of the capital asset or materially extend the capital asset's life are expensed when incurred.

Unearned Revenue - Unearned revenue includes amounts received from grants and contract sponsors that have not yet been earned.

Compensated Absences - Accumulated unpaid vacation, personal and sick leave benefits have been accrued in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*. The Station uses the termination method to accrue sick leave compensated absences on the Statement of Net Position.

Deferred Outflows and Inflows of Resources – Deferred outflows of resources represent the consumption of resources that are applicable to a future reporting period, but do not require further exchange of goods or services. Deferred inflows of resources represent the acquisition of resources that are applicable to a future resource period. Deferred outflows of resources in the Station's financial statements consist of differences between projections and actual in the OPERS pension plan and contributions subsequent to the measurement date of the plan. Deferred inflows of resources in the Station's financial statements consist of differences between projections and the actual in the OPERS pension plan.

Pensions – For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Ohio Public Employees Retirement System (OPERS) and additions to/deductions from OPERS' fiduciary net position has been determined on the same basis as reported by the pension system. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension system reports investments at fair value.

General Appropriation from the University - The general appropriation represents support from the University for salaries and operating expenses not provided through other sources.

Donated Facilities and Administrative Support - Donated facilities and administrative support represent the Station's allocated amounts of institutional support and donated facilities and is recorded as nonoperating revenue and expenses in the Statement of Revenue, Expenses, and Changes in Net Position. Administrative support is based on the Station's pro-rata share of the University's total salaries, wages, and administrative expenses. Donated facilities are the Station's pro-rata share of the University's total plant expenses along with calculated occupancy costs.

Income Taxes - The Internal Revenue Service has ruled that the University's income is generally exempt from Federal income taxes under Section 115 of the Internal Revenue Code. The University is subject to tax on unrelated business income.

Measurement Focus and Financial Statement Presentation - Operating revenues and expenses result from providing programming, production, and broadcasting support for the Station. The principal operating revenues include two grants, one from the CPB and one from the Broadcast Educational Media Commission (BEMC), along with underwriting revenue from area businesses. Principal operating expenses include programming, production, broadcasting, fundraising, and management services and support. The principal nonoperating revenues are the general appropriation from the University and membership support.

Release of Restricted Funds - When an expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the Station's policy to apply restricted resources first, then unrestricted resources as needed.

Management's Estimates - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses during the reporting period. Disclosure of contingent assets and liabilities at the date of the financial statements may also be affected. Actual results could differ from these estimates.

Adoption of Accounting Principle – Due to the Station's adoption of GASBs 68 and 71, net position was restated at July 1, 2014. Previously, pension expense was reported equal to the amount remitted as statutory contributions. With the adoption of GASBs 68 and 71, the Station is required to report a proportionate share of the retirement system's net pension liability (or unfunded liability) and other activity, including pension expense on the Station's financial statements and also provide disclosures in the Notes to the Financial Statements (See Note 7 Defined Benefit Pension Plans). This standard only impacts financial reporting and does not affect the amount the Station is required to fund under Ohio law. Under Ohio law, employers are not required to pay more than the current statutory contribution.

The effect of this change resulted in a net decrease in net position of the Station at July 1, 2014 of $378,802. The Station did not retroactively implement these statements as of July 1, 2013 because it was not deemed practical. The defined benefit plan in which the Station participates did not have the information readily available. Therefore, certain disclosures required under previous GASB statements are disclosed for fiscal year 2014.

Reclassification – Certain reclassifications have been made to the fiscal year 2014 amounts to conform with the fiscal year 2015 presentation. These reclassifications had no effect on the total net position or change in net position.

Note 2 – Cash and Cash Equivalents

For financial statement presentation purposes, cash in banks has been combined with the University's cash equivalents and temporary investments in repurchase agreements and certificates of deposit.

The aggregate cost of repurchase agreements, which approximates fair value, included in the University's cash and cash equivalents is $2,083,878 and $2,586,357 at June 30, 2015 and June 30, 2014, respectively.

Depository funds held in the name of the University are secured by a pool of securities with a value of at least 105% of the total value of monies on deposit at the depository bank. The University has a continuing deposit security agreement with its depository bank to ensure continuous collateralization of its deposits. All collateral, both specific and pooled, is held by the Federal Reserve Bank or by a designated trustee as agent for the public depositories used by the University.

The University's cash and cash equivalents at June 30, 2015 and June 30, 2014 consisted of the following:

	2015	2014
Carrying Amount (Cash and cash equivalents)	$ 11,472,553	$ 16,762,273
FDIC Insured	$ 5,817,914	$ 5,815,682
Uninsured but collateralized by pools of securities pledged by the depository banks	3,883,274	7,639,356
Uninsured but assets held in name of YSU not pledged as collateral elsewhere	3,274,251	4,194,116
Bank Balance	$ 12,975,439	$ 17,649,154

The difference in carrying amount and bank balance is caused by items in transit and outstanding checks.

The Station's cash and cash equivalents are included in these totals and were $2,049,267 and $1,826,446 at June 30, 2015 and June 30, 2014, respectively.

Credit risk for deposits is the risk that, in the event of a bank failure, the University's deposits may not be returned to the University. At June 30, 2015 and June 30, 2014, all uncollateralized or uninsured deposits of the University are exposed to credit risk. The University's investment policy and asset allocation guidelines facilitate the management and monitoring of credit risk.

Note 3 - Investments

The University's investment policy authorizes the University to invest endowed University funds in compliance with provisions of the Ohio Revised Code including House Bill 524, Section 3345.05 of the Ohio Revised Code, and all other applicable laws and regulations.

In accordance with the Policies of the Board of Trustees of the University, investment types are not specifically limited but shall be made with care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. Furthermore, investments shall be managed for the use and benefit of the University in a diversified portfolio that focuses, over time, on the preservation of capital, minimization of cost and risk, and maintenance of required levels of liquidity in the overall portfolio to meet cash flow requirements.

The University utilizes an investment advisor and investment managers for endowment funds. The University's endowment funds, which includes WYSU-FM's endowment fund, are managed by Huntington Trust. The Station's investments represent a portion of the University's endowment investments. University endowment investments were $8,784,183 as of June 30, 2015 and $7,877,194 as of June 30, 2014.

As of June 30, 2015, the Station had the following investments and maturities using the segmented time distribution method:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10
Corporate Bonds	$ 26,131	$ 6,159	$ 7,093	$ 12,879	$ -
Foreign Bonds	2,053	-	2,053	-	-
U.S. Government Bonds	11,199	-	5,973	5,226	-
Bond Mutual Funds	4,293	4,293	-	-	-
Preferred and Common Stock	125,612	125,612	-	-	-
Equity Mutual Funds	17,358	17,358	-	-	-
	$ 186,646	$ 153,422	$ 15,119	$ 18,105	$ -

All callable stocks were assumed to mature in less than one year.

As of June 30, 2014, the Station had the following investments and maturities using the segmented time distribution method:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10
Corporate Bonds	$ 10,219	$ -	$ 10,219	$ -	$ -
U.S. Government Bonds	12,263	-	6,503	5,760	-
Bond Mutual Funds	4,831	4,831	-	-	-
Preferred and Common Stock	146,043	146,043	-	-	-
Equity Mutual Funds	12,449	12,449	-	-	-
	$ 185,805	$ 163,323	$ 16,722	$ 5,760	$ -

All callable stocks were assumed to mature in less than one year.

NOTES TO FINANCIAL STATEMENTS (CONT.)
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

As of June 30, 2015, investments had the following quality credit ratings:

Investment Type	Fair Value	Aaa	Aa	A	Baa	Unrated
Corporate Bonds	$ 26,131	$ -	$ 10,703	$ 9,071	$ 6,357	$ -
Foreign Bonds	2,053	-	2,053	-	-	-
U.S. Government Bonds	11,199	-	11,199	-	-	-
Bond Mutual Funds	4,293	784	1,177	574	1,743	15
	$ 43,676	$ 784	$ 25,132	$ 9,645	$ 8,100	$ 15

As of June 30, 2014, investments had the following quality credit ratings:

Investment Type	Fair Value	Aaa	Aa	A	Baa	Unrated
Corporate Bonds	$ 10,219	$ -	$ -	$ 4,498	$ 5,721	$ -
U.S. Government Bonds	12,263	-	12,263	-	-	-
Bond Mutual Funds	4,831	665	1,242	763	2,149	12
	$ 27,313	$ 665	$ 13,505	$ 5,261	$ 7,870	$ 12

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The University's investment policy and asset allocation guidelines facilitate the management and monitoring of its exposure to fair value losses arising from increasing interest rates.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The University's investment policy and asset allocation guidelines contain provisions to manage credit risk.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the University will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. Investments that are both unregistered and uninsured are exposed to custodial credit risk if investments are held by the counterparty, or are held by the counterparty's trust department or agent but not in the name of the University. At June 30, 2015 and 2014, the University had no exposure to custodial credit risk. The University does not address custodial credit risk in its investment policy and asset allocation guidelines.

Foreign Currency Risk - Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. At June 30, 2015 and 2014, the University had no material exposure to foreign currency risk. The University does not address foreign currency risk in its investment policy and asset allocation guidelines.

Note 4 – Capital Assets

Capital assets activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Depreciable assets:				
Antenna and tower	$ 475,691	$ -	$ -	$ 475,691
Studio and broadcast equipment	383,210	-	-	383,210
Total cost	858,901	-	-	858,901
Less: Accumulated depreciation	746,273	17,552	-	763,825
Capital assets, net	$ 112,628	$ (17,552)	$ -	$ 95,076

Capital assets activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Depreciable assets:				
Antenna and tower	$ 475,691	$ -	$ -	$ 475,691
Studio and broadcast equipment	383,210	-	-	383,210
Total cost	858,901	-	-	858,901
Less: Accumulated depreciation	728,720	17,553	-	746,273
Capital assets, net	$ 130,181	$ (17,553)	$ -	$ 112,628

Note 5 – Unearned Revenue

Unearned revenue at June 30, 2015 and June 30, 2014 consisted of the following:

	2015	2014
Corporation for Public Broadcasting grant	$ 145,521	$ 134,443
Underwriting agreements	15,179	14,499
Other unearned revenue	450	450
Total unearned revenue	$ 161,150	$ 149,392

Note 6 – Long-Term Liabilities

Long-term liability activity (also see Note 7) for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	$ 99,650	$ 17,306	$ -	$ 116,956	$ 10,726
Net pension liability	-	416,913	-	416,913	-
Total long-term liabilities	$ 99,650	$434,219	$ -	$ 533,869	$ 10,726

The additions column for net pension liability includes both the beginning restatement adjustment related to the implementation of GASBs 68 and 71 and the current year expense.

Long-term liability activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	$ 109,318	$ -	$ 9,668	$ 99,650	$ 8,338
Total long-term liabilities	$ 109,318	$ -	$ 9,668	$ 99,650	$ 8,338

Note 7 – Defined Benefit Pension Plans

The net pension liability reported on the Statement of Net Position represents a liability to employees for pensions. Pensions are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions are provided to an employee – on a deferred-payment basis – as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net position liability represents the Station's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the Station's obligation for this liability to annually required payments. The Station's cannot control benefit terms or the manner in which pensions are financed; however, the Station does receive the benefit of employees' services in exchange for compensation including pension.

GASBs 68 and 71 assumes the liability is solely the obligation of the employer, because (1) the employer benefits from employee services; and (2) State statute requires all funding to come from the employer. All contributions to date have come solely from employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each pension plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in payroll liabilities.

Plan Description
Substantially all other Station employees are provided with pensions through the OPERS, which is a statewide cost-sharing multiple employer defined benefit pension plan. Authority to establish and amend benefits for OPERS is authorized by Chapters 145 and 3307, respectively, of the Ohio Revised Code. The OPERS report can be obtained at https://www.opers.org/investments/cafr.shtml.

OPERS offers three separate retirement plans: a defined benefit plan, a defined contribution plan, and a combined plan.

OPERS Defined Benefit Plan pays service retirement benefits using a fixed formula based on age, years of service credit and final average salary (FAS). In addition to service retirement, participants are eligible for disability and survivor benefits.

OPERS Member-Directed Plan is an optional alternative retirement plan available to new members. Participants allocate both member and a portion of the employer contributions in an investment account. Portions of the employer contributions are allocated to the defined benefit unfunded liabilities. Benefits are based on the member's account value.

OPERS Combined Plan offers features of both a defined benefit plan and a member-directed or defined contribution plan. In the combined plans, employee contributions are invested in self-directed investments, and the employer contribution is used to fund a reduced defined benefit along with disability and survivor benefits.

Benefits Provided
OPERS provides retirement, disability, annual cost-of-living adjustments, and survivor benefits for plan members and beneficiaries. The benefit provisions stated in the following paragraphs are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

OPERS Benefits
Under OPERS, retirement benefits are specific to each pension plan and members must meet the eligibility requirements based on their age and years of service credit within the plan. Retirement eligibility also varies by division and transition group. Members who were eligible to retire under law in effect prior to SB 343 before January 7, 2023 are included in transition Groups A and B. Group C includes those members who are not in either of the other groups and members who were hired on or after January 7, 2013.

State and Local members in transition groups A and B are eligible for retirement benefits at age 55 with 25 or more years of service credit or at age 60 with 5 years of service credit. State and Local members in transition Group C are eligible for retirement at age 57 with 25 years of service credit or at age 62 with 5 years of service credit.

Under the Traditional Plan, for Groups A and B, the annual benefit is based on 2.2% of FAS multiplied by the actual years of service credit for the first 30 years of service credit and 2.5% for years of service credit in excess of 30 years. For Group C the annual benefit applies a factor of 2.2% for the first 35 years and a factor of 2.5% for the years of service credit in excess of 35. FAS represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Under the Combined Plan, the benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.0% to the member's FAS for the first 30 years of service credit. A factor of 1.25% is applied to years of service credit in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service credit and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions.

Member-Directed participants must have attained the age of 55, have money on deposit in the Defined Contribution Plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. At retirement, members may select one of several distribution options for payment of the vested balance of their individual OPERS accounts.

The OPERS law enforcement program consists of two separate divisions: Law Enforcement and Public Safety. Both divisions of members are eligible for special retirement options under the Traditional Pension Plan and are not eligible to participate in the Member-Directed or Combined plans. Public Safety members in transition Groups A and B may file an application for full retirement benefits at age 48 or older with 25 or more years of service credit or 52 or older with 15 or more years of service credit. Public Safety members in transition Group C are eligible for benefits at age 52 or older with 25 years of service credit or at age 56 or older with 15 years of service credit. Those members classified as Law Enforcement officers are eligible for full retirement at age 52 or older with 15 or more years of service credit for Group A. Law Enforcement Group B is eligible at age 48 or older with 25 years of service credit or at age 52 or older with 15 years of service credit. Law Enforcement Group C is eligible at age 48 or older with 25 years of service credit or at age 56 with 15 years of service credit. Annual benefits under both divisions are calculated by multiplying 2.5% of FAS by the actual years of service credit for the first 25 years of service credit, and 2.1% of FAS for each year of service credit over 25 years. These options also permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

OPERS administers two disability plans for participants in the Traditional Pension and Combined plans. Members in the plan as of July 29, 1992, could elect coverage under either the original plan or the revised plan. All members who entered the System after July 29, 1992, are automatically covered under the revised plan. Under the original plan, a member who becomes disabled before age 60 and has completed 60 contributing months is eligible for a disability benefit. Benefits are funded by the employee and employer contributions and terminate if the member is able to return to work. The revised plan differs in that a member who becomes disabled at any age with 60 contributing months will be eligible for disability benefits until a determined age. The benefit is funded by reserves accumulated from employer contributions. Law Enforcement officers are immediately eligible for disability benefits if disabled by an on-duty illness or injury. Members participating in the Member-Directed Plan are not eligible for disability benefits.

Dependents of deceased members who participated in either the Traditional Pension Plan or the Combined Plan may qualify for survivor benefits if the deceased employee had at least one and a half years of service credit with the plan, and at least one quarter year of credit within the two and one-half years prior to the date of death. Law Enforcement and Public Safety personnel are eligible for survivor benefits immediately upon employment.

Once a benefit recipient retiring under the Traditional Pension Plan has received benefits for 12 months, an annual 3% cost-of-living adjustment is provided on the member's base benefit. Members retiring under the Combined Plan receive a 3% cost-of-living adjustment on the defined benefit portion of their benefit.

Contributions

OPERS Contributions

Employer and member contribution rates are established by the OPERS Board subject to limits per Chapter 145 of the Ohio Revised Code. Under the OPERS plans, the employee contribution rate for the years ended June 30, 2015 and 2014 is 10% for all employees with the exception of law enforcement. The law enforcement contribution rate was 12.6% through December 31, 2013 and increased to 13% effective January 1, 2014. The employer contribution rate is 14% for all employees with the exception of law enforcement whose rate is 18.1%. For Member-Directed Plans, for the years ended June 30, 2014 and 2013, 13.23% was paid into the member's member-directed account and the remaining .77% was paid to OPERS, as required by state legislation, to cover unfunded liabilities.

The Station's contributions to OPERS were $64,597, $61,627, $57,629 and $61,534 for the fiscal years ended June 30, 2015, 2014, 2013 and 2012, respectively. There were no contributions made to the ARP for the fiscal year ended June 30, 2015, 2014 and 2013. Contributions made to the ARP for fiscal year ended June 30, 2012 were $5,344. Contributions were equal to the required contributions for each year as set by state statute.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

OPERS Pension Costs

At June 30, 2015, the Station reported a liability of $416,913 for its proportionate share of the OPERS net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Station's proportion of the net pension liability was based on the Station's share of contributions to the pension plan relative to the total employer contributions from all participating OPERS employers. At December 31, 2014, the Station's proportion was 0.00347%.

The net pension liability and asset for the Traditional Pension Plan and Combined Plan, respectively, were measured as of December 31, 2014, and the total pension liabilities were determined by an actuarial valuation as of that date.

For the year ended June 30, 2015, the Station recognized pension expense of $56,195. At June 30, 2015, the Station reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 7,755
Net difference between projected and actual earnings on pension plan investments	22,398	-
University contributions subsequent to the measurement date	31,870	-
Totals	$ 54,268	$ 7,755

At June 30, 2015, the Station reported $31,870 as deferred outflows of resources related to pensions resulting from Station contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to OPERS pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows of Resources	Net Deferred Inflows of Resources
2016	$ 5,600	$ 3,439
2017	5,600	3,439
2018	5,599	616
2019	5,599	48
2020	-	48
Thereafter	-	165
Totals	$ 22,398	$ 7,755

OPERS Actuarial Assumptions

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.75%
Salary increases	4.25%-10.05%, including inflation
Investment rate of return	8.00%
Cost of living adjustment	3.00% simple

Mortality rates are the RP-2000 mortality table projected 20 years using Projection Scale AA. For males, 105% of the combined healthy male mortality rates were used. For females, 100% of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males, 120% of the disabled female mortality rates were used, set forward two years. For females, 100% of the disabled female mortality rates were used.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the five year period ended December 31, 2010.

The allocation of investment assets within the Defined Benefit portfolio is approved by the OPERS Board as outlined in the annual investment plan. The long term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The following table displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

Asset Class Return	Target Allocation	Long-Term expected Real Rate of Return
Fixed income	23.0%	2.31%
Domestic equity	19.9%	5.84%
International equity	19.1%	7.40%
Real estate	10.0%	4.25%
Private equity	10.0%	9.25%
Other	18.0%	4.59%
Totals	100.0%	

Discount rate

The discount rate used to measure OPERS total pension liability was 8.0% as of December 31, 2014. The projection of cash flows used to determine the discount rates assumed that employee and Station contributions will be made at the statutory contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for both the Traditional Pension Plan and the Combined Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Station's proportionate share of the net pension liability to changes in the discount rate

The following presents the Station's proportionate share of the OPERS pension plans net pension liability calculated using the discount rate of 8.0%, as well as what the Station's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.0%) or 1-percentage-point higher (9.0%) than the current rate.

	($ in thousands)		
	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Station's proportionate share of the net pension liability	$ 770,132	$ 416,913	$ 119,993

Pension plan fiduciary net position

Detailed information about OPERS fiduciary net position is available in the separately issued financial reports. Financial reports, which may be obtained at www.opers.org or by writing to Ohio Public Employees Retirement System, Director-Finance, 277 East Town Street, Columbus, Ohio 43215-4642.

Note 8 - Related Party

Youngstown State University Foundation (YSUF) is a legally separate nonprofit organization exempt from federal income tax and classified as a public charity. YSUF is devoted to the support, expansion, and development of educational programs at the University that are useful and beneficial to the students and the community.

Note 9 – Risk Management

WYSU-FM is included in the University's insurance programs. The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The University has joined with other state-assisted universities in Ohio to form an insurance pool for the acquisition of commercial property and casualty insurance. The University pays annual premiums to the pool for its property and casualty insurance coverage based on its percentage of the total insurance value to the pool. Future contributions will be adjusted based upon each University's loss history. The University had no significant reductions in coverage from the prior year. Insurance settlements have not exceeded insurance coverage for each of the past three fiscal years.

Required Supplementary Information

Schedule of the Station's Proportionate Share of the Net Pension Liability

OPERS

		2015
Station's proportion of the collective net pension liability (asset)		0.00347%
Station's proportionate share of the collective net pension liability (asset)	$	416,913
Station's covered-employee payroll	$	478,895
Station's proportionate share of the collective net pension liability as a percentage of the employer's covered-employee payroll		87.06%
Plan fiduciary net position as a percentage of the total pension liability		84.00%

NOTE: Years prior to 2015 are not available.

Schedule of the Station's Contributions

OPERS

		2015
Statutorily required contribution	$	64,597
Contributions in relation to the Statutorily required contribution	$	64,597
Annual contribution deficiency	$	-
Station's covered-employee payroll	$	461,406
Contributions recognized by the pension plan in relation to the the statutorily or contractually required employer contribution as a percent of the employer's covered employee payroll		14.00%

Supplementary Information

Schedule of Nonfederal Financial Support for the Year Ended June 30, 2015

Direct Income	$	1,054,978
Indirect Administrative Support		166,645
In-Kind Contributions of Services and Other Assets		112,900
Total Nonfederal Financial Support	$	1,334,523

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
Youngstown State University
Youngstown, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of WYSU-FM, Youngstown State University Radio (the "Station"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Station's basic financial statements, and have issued our report thereon dated November 30, 2015.

As discussed in Note 1, the financial statements of the Station are intended to present the financial position, the changes in financial position and cash flows, of only that portion of the activities of Youngstown State University that is attributable to the transactions of the Station. They do not purport to, and do not, present fairly the financial position of Youngstown State University as of June 30, 2015, and the changes in its financial position and its cash flows, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Station's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Station's internal control. Accordingly, we do not express an opinion on the effectiveness of the Station's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Station's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe Horwath LLP

Crowe Horwath LLP

Columbus, Ohio
November 30, 2015

YOUNGSTOWN STATE UNIVERSITY